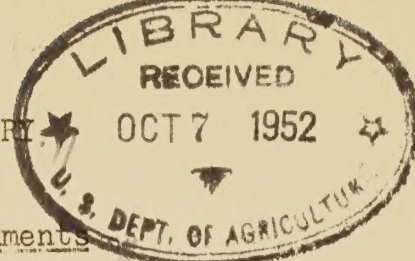


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System of Administrative Control Under Apportionments

Purpose. Paragraph 230, Section 1, Chapter V, Title 6, of the ADMINISTRATIVE Regulations places responsibility upon the Head of each Agency or Bureau of the Department to which appropriations are made for limiting obligations or expenditures to amounts permitted by the apportionments or reapportionments or allotments therefrom. Accordingly, the following system of administrative control under apportionments is hereby prescribed for use by the Bureau:

Terminology. Definitions of certain terms for purposes of this regulation should be as follows:

- (1) "Obligations" shall be as defined by Budget-Treasury Regulation No. 1, i.e., amounts of orders placed, contracts awarded, services received, and similar transactions during a given period requiring future payments of money. Such amounts shall include payments not preceded by obligations, except advances for travel, and shall reflect adjustments for differences between obligations and actual payments.
- (2) "Appropriation", applies to all apportioned appropriations, funds and authorizations, including authorizations to create obligations by contract in advance of appropriations.
- (3) An "Apportionment", as indicated by Budget-Treasury Regulation No. 1, shall consist of the amounts under an appropriation determined by the Director of the Bureau of the Budget to be available for obligation during specified periods.
- (4) An "Allotment", as indicated by Budget-Treasury Regulation No. 1, shall consist of an authorization by the head or other authorized employee of an agency or bureau to incur obligations within a specified amount pursuant to an appropriation or other statutory authority. The incurrence of obligations in excess of such authorized amount will constitute a violation of the Anti-deficiency Act and will be reportable as provided under paragraph "Reporting of Violations of Law."

Control of Allotments. The Chief of the Bureau is responsible for the establishment of annual allotments consistent with approved apportionments. Advices of Allotment shall be issued on an annual basis with specific quarterly limitations consistent with apportionments. Allotments will be made to the Director of each Bureau region for all activities in his region and to the Assistant Chief of Bureau In Charge of Administration for all activities in the Washington Metropolitan Area. Further subdivisions of such allotments in the operating statements and in the accounting records may be made within the Bureau for management needs. For instance, allotments may be broken down by stations, objective classifications, etc., and such subdivisions need not be considered as allotments for the purpose of this regulation, provided they are established for purposes other than the limitation of obligations to specified amounts.

Delegation of Responsibility. The Director of each Bureau Region shall be responsible for limiting obligations to amounts permitted by the Advice of Allotments for his region for regular or special funds, and the Assistant Chief of Bureau in Charge of Administration shall be responsible for controlling the obligation of funds under the Advice of Allotment for the Washington Metropolitan Area. The initial responsibility for assuring that quarterly limitations under allotments are not exceeded is that of the Regional Director and the Assistant Chief in Charge of Administration. In addition, however, it shall be the responsibility of the Regional Business Managers and the Head of the Administrative Services Division in Washington to see that the accounting records of all funds allotted are kept current by entries reflecting each day's transactions and to assure strict compliance with the system of controls prescribed herein.

Control of Obligations. To provide for the control of obligations, the following system is prescribed:

A supplemental record for the quarterly limitations under allotments of regular and special funds shall be established at the beginning of the fiscal year at each region and in the Washington Metropolitan Area, respectively; the amount to be initially recorded as available for obligation being the amount of the limitation for the region or area for the first quarter of the year. This amount shall be increased at the beginning of each successive quarter to include the limitation for the new quarter.

All obligations shall be recorded promptly (at least daily) against the quarterly limitation to which they apply, and obligation reports must reflect the true status of funds. For this reason books should not be closed until the latest possible date of the month. All obligation documents should be prevalidated by routing through the Accounting Section prior to the incurring of the obligations. (The obligation document referred to is not to be confused with the preliminary document, such as a request for bids, an authorization to negotiate for an RMA contract, etc., for which reserves shall be established to assure that the plans for expenditures are protected). Where the precise amount of the obligation is not known at the time it is incurred, an estimated and fully adequate amount based on experience and the best available information is to be used.

Where allotments under apportionments include amounts for estimated reimbursements, transfers, income, etc., it will be the responsibility of the allottees previously mentioned under "Control of Allotments" to limit obligations against such reimbursements, transfers, income, etc., to the amounts that will actually be realized. In cases involving reimbursements from other Federal agencies or from non-Federal sources, a properly executed agreement or order shall constitute the minimum assurance that the account receivable will be realized. Where services are performed for the public as authorized by law on a fee or cost basis, the rendering of the service will be regarded as adequate support for the validity of the account receivable.

Reporting of Obligations. Appropriate reports on the status of each allotment, including amounts obligated and unobligated balances as of the end of the preceding month, shall be furnished by the appropriate accounting offices to the Bureau Chief and to the respective allottees involved not later than the fifth calendar day following the close of the month.

Reporting of Violations of Law. It will be necessary for the Chief of Bureau to report violations of the character set forth in Subparagraph i(1), Par. 230, of Title 6 of the Administrative Regulations to the Director of Finance in the form of a letter addressed to the President for the signature of the Secretary. A report of each violation must also be submitted to Congress.

Liability. Violations of the provisions of Subparagraph i(1) of Par. 230, Title 6, of the Administrative Regulations, shall be subject to the actions set forth in Subparagraph j of said Regulations.

Notice. A copy of this Regulation shall be transmitted by the Chief of Bureau to each employee of his office to whom responsibilities, authorities, or duties are assigned by such Regulation or to whom liabilities inure from the issuance of such Regulation. The Memorandum of transmittal shall clearly indicate the subject matter of the Regulation and its importance.

